

CHAPTER 1049

COLLEGE AID COMMISSION

S. F. 2228

AN ACT providing for a guaranteed student loan program, a state matching program to match federal funds paid under the GI Bill Improvement Act of 1977, changing the name of the higher education facilities commission and increasing its membership by two members and making an appropriation.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section eighty B point six (80B.6), subsection six (6), Code 1977, is amended to read as follows:

6. One member from the ~~higher-education-facilities~~ college aid commission for a term of four years commencing on August 15, 1974. This member shall be the commissioner who represents the private colleges.

Sec. 2. Section two hundred sixty-one point one (261.1), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

There is hereby created a commission to be known as the "~~Higher-Education-Facilities~~ College Aid Commission" of the state of Iowa. Membership of the commission shall be as follows:

Sec. 3. Section two hundred sixty-one point one (261.1), subsection six (6), Code 1977, is amended to read as follows:

6. ~~Four~~ Six additional members to be appointed by the governor. One of such members shall be selected to represent private colleges, private universities and private junior colleges located in the state of Iowa. When appointing such one member, the governor shall give careful consideration to any person or persons nominated or recommended by any organization or association of some or all private colleges, private universities and private junior colleges located in the state of Iowa. One such member shall be enrolled as a student at a board of regents institution, merged area school, or accredited private institution. One such member shall be a representative of a lending institution located in this state. The other three such members, none of whom shall be official board members or trustees of an institution of higher learning or of an association of such institutions, shall be selected to represent the general public.

Sec. 4. Section two hundred sixty-one point one (261.1),

unnumbered paragraph five (5), Code 1977, is amended to read as follows:

A vacancy shall exist on the commission when a legislative member of the commission ceases to be a member of the general assembly or when a student member ceases to be enrolled as a student. Such vacancy shall be filled within thirty days.

Sec. 5. Section two hundred sixty-one point two (261.2), subsection five (5), unnumbered paragraph two (2), Code 1977, is amended to read as follows:

Said fund shall be allotted to students for not more than three years of study and shall be in the nature of a loan. Such loan shall have as one of its terms that fifty percent thereof shall be canceled at the end of five years of the general practice in Iowa with an additional ten percent to be canceled each year thereafter until the entire loan may be canceled. No interest shall be charged on any part of the loan thus canceled. Additional terms and conditions of said loan shall be established by the ~~higher-education facilities~~ college aid commission so as to facilitate the purpose of this section.

Sec. 6. Section two hundred sixty-one point two (261.2), Code 1977, is amended by adding the following new subsection:

NEW SUBSECTION. Prepare a state plan, complete with fiscal implications, for a state matching program to match federal funds paid under the GI Bill Improvement Act of 1977 Public Law ninety-five dash two hundred two (P.L. 95-202) to a veteran who is an Iowa resident for the purpose of repaying any school loans received by such veteran from the United States veterans administration.

Sec. 7. Section two hundred sixty-one point nine (261.9), subsection six (6), Code 1977, is amended to read as follows:

6. "Commission" means the ~~higher-education-facilities~~ college aid commission.

Sec. 8. Section two hundred sixty-one point fifteen (261.15), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

The ~~higher-education-facilities~~ commission shall administer this program and shall:

Sec. 9. Section two hundred sixty-one point seventeen (261.17), subsection six (6), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

The ~~higher-education-facilities~~ commission shall administer this program and shall:

Sec. 10. Section two hundred sixty-one point eighteen

(261.18), Code 1977, is amended to read as follows:

261.18 SUBVENTION PROGRAM.

1. There is established a subvention program for resident students who are enrolled in the college of osteopathic medicine and surgery of Des Moines, Iowa. The subvention program shall be administered by the **higher-education facilities** commission in the manner provided in this section and section 261.19.

2. In making a final determination of who is a resident of Iowa, the **higher-education-facilities** commission shall adopt rules for the academic year commencing in 1976 and for each academic year thereafter consistent with those followed for determining Iowa resident students in section 261.15 and be subject to the provisions of chapter 17A.

Sec. 11. Section two hundred sixty-one point nineteen (261.19), Code 1977, is amended to read as follows:

261.19 PAYMENT OF SUBVENTION. The registrar of the college of osteopathic medicine and surgery shall file, not later than August 4 first of each year, a certificate of enrollment which shall include the number, names and addresses of all students enrolled, by class, and shall indicate which students are resident students. If the number of resident students does not equal thirty percent of the total enrollment of a class, the **higher-education-facilities** commission shall deduct the sum of twenty thousand dollars for each class member under the required percentage. The **higher-education-facilities** commission shall compute the amount of the subvention and shall transmit the funds to the college of osteopathic medicine and surgery by August 45 fifteenth of each year for which funds are appropriated by the general assembly.

Sec. 12. Section two hundred sixty-one point twenty-five (261.25), subsections one (1), two (2) and three (3), Code 1977, are amended to read as follows:

1. There is appropriated from the general fund of the state to the **higher-education-facilities** commission for each fiscal year the sum of ten million dollars for tuition grants.

2. There is appropriated from the general fund of the state to the **higher-education-facilities** commission for each fiscal year the sum of three hundred fifty thousand dollars for scholarships.

3. There is appropriated from the general fund of the state to the **higher-education-facilities** commission for each fiscal year the sum of one hundred fifty thousand dollars for vocational-technical tuition grants.

Sec. 13. Section two hundred sixty-one point twenty-six (261.26), Code 1977, is amended to read as follows:

261.26 OPTOMETRY SCHOOLS. The ~~higher-education-facilities~~ commission shall contract with the proper officials of states which have accredited schools and colleges of optometry for the admission and education of qualified applicants who are domiciliaries of Iowa and who have demonstrated interest, aptitude, and readiness for study in the field of optometry. In making a final determination of who is a domiciliary of Iowa, the ~~higher-education-facilities~~ commission shall adopt rules for the academic year commencing in 1976 and for each academic year thereafter consistent with those followed for determining Iowa resident students in section 261.15 and subject to the provisions of chapter 17A.

Sec. 14. Section two hundred sixty-one point twenty-seven (261.27), Code 1977, is amended to read as follows:

261.27 CONTRACT FOR RIGHT TO ENTER SCHOOL. In carrying out its duties under the provisions of section 261.26 the ~~higher-education-facilities~~ commission shall contract for the right of not less than ten qualified persons to enter accredited schools and colleges of optometry during the school year commencing in the year 1976. The ~~higher-education facilities~~ commission shall initiate an affirmative action program to insure equal opportunity for participation by women, men, and minority students in the program provided for in this section and section 261.26. Funds expended on behalf of each person shall not exceed three thousand dollars during any one fiscal year. The ~~higher-education-facilities~~ commission shall make a report regarding its duties under section 261.26 to the legislative fiscal committee at such time as the legislative fiscal committee shall request.

Sec. 15. Chapter two hundred sixty-one (261), Code 1977, is amended by adding sections sixteen (16) through twenty-three (23) of this Act as a new division.

Sec. 16. NEW SECTION. DEFINITIONS. As used in this division, unless the context otherwise requires:

1. "Commission" means the college aid commission of the state of Iowa.

2. "Eligible institution" means any postsecondary educational institution which meets the requirements of the provisions of the Higher Education Act of 1965 for student participation in the federal interest subsidy program and the requirements prescribed by rule of the commission.

3. "Eligible lender" means a financial or credit institution, insurance company or other approved lender which meets the standards prescribed by the commission and has executed a lender participation agreement with the commission.

4. "Higher Education Act of 1965" means the federal Higher Education Act of 1965, as amended to and including January 1, 1978.

5. "Eligible student" means a person who is a resident of this state and is enrolled or will be enrolled at an eligible institution within or without the state or who is a nonresident of this state and is enrolled or will be enrolled at an eligible institution within the state and who meets the eligibility requirements established by the commission. The commission shall establish the qualifications for being a resident of this state, however, the qualifications shall not be more stringent than those established by the state board of regents.

Sec. 17. NEW SECTION. POWERS. The commission shall have necessary powers to carry out its purposes and duties under this division, including but not limited to the power to:

1. Sue and be sued in its own name.

2. Incur and discharge debts including the payment of any defaulted loan obligations which have been guaranteed by the commission.

3. Make and execute agreements, contracts and other instruments with any public or private person or agency including the United States commissioner of education.

4. Guarantee loans made by eligible lenders to eligible students who are enrolled or will be enrolled at eligible institutions as at least half-time students as defined by the commission.

5. Approve educational institutions as eligible institutions upon their meeting the requirements established by the commission.

6. Approve financial or credit institutions, insurance companies or other lenders as eligible lenders upon their meeting the standards established by the commission for making guaranteed loans.

7. Accept appropriations, gifts, grants, loans or other aid from public or private persons or agencies including the United States commissioner of education.

8. Implement various means of encouraging maximum lender participation in the Iowa guaranteed student loan program.

Sec. 18. NEW SECTION. DUTIES. The duties of the commission under this division shall be as follows:

1. To review the Iowa guaranteed student loan program.
2. To review and make disposition of all applications for the guarantee of student loans.
3. Collect an insurance premium of not more than one percent per annum of the principal amount of any loan guaranteed, beginning with the date of disbursement and ending one year after the date on which the borrower expects to complete the course of study for which the loan was made. Such premium shall be collected by the lender upon the disbursement of the loan and shall be remitted promptly to the commission.
4. To enter into all necessary agreements with the United States commissioner of education as may be required for the purpose of receiving full benefit of the state program incentives offered pursuant to the Higher Education Act of 1965.
5. To promulgate rules pursuant to chapter seventeen A (17A) of the Code to implement the provisions of this division including establishing standards for educational institutions, lenders and individuals to become eligible institutions, lenders and students. The rules and standards established shall be consistent with the requirements provided in the Higher Education Act of 1965.
6. To reimburse eligible lenders for one hundred percent of the principal and accrued interest on defaulted loans guaranteed by the commission upon receipt of written notice of such default accompanied by evidence that the lender has exercised the required degree of diligence in efforts to collect the loan.
7. To establish an effective system for the collection of delinquent loans.
8. To develop and disseminate informational and educational materials to lenders, postsecondary institutions and student borrowers.
9. To develop all forms necessary to the proper administration of the guaranteed student loan program and provide supplies of such forms to participating lenders and postsecondary institutions.
10. To report annually to the governor and the general assembly on the status of the guaranteed student loan program.
11. To implement all possible assistance to eligible lenders for the purpose of easing the workload entailed in participation in the guaranteed student loan program.

Sec. 19. NEW SECTION. LOAN RESERVE AND ADMINISTRATIVE ACCOUNTS.

1. The commission shall establish a loan reserve account from which any default on a guaranteed student loan shall be paid. The commission shall credit to this account all moneys designated exclusively for the reserve fund by the United States, the state of Iowa or any of their agencies, departments or instrumentalities, as well as any funds accruing to the program which are not required for current administrative expenses.

2. The commission shall establish an administrative account from which the operating costs of the guaranteed student loan program shall be paid. The commission may transfer funds between the reserve and administrative accounts upon approval of the state comptroller. The state comptroller shall determine what is the actuarially sound reserve requirement for the amount of guaranteed loans outstanding.

3. The payment of any funds for the default on a guaranteed student loan shall be solely from the loan reserve account. The general assembly shall not be obligated to appropriate any moneys to pay for any defaults or to appropriate any moneys to be credited to the loan reserve account. The commission shall not give or lend the credit of the state of Iowa.

4. Funds on deposit in the loan reserve account or in the administrative account shall not revert to the state general fund at the close of any fiscal year.

5. The treasurer of state shall invest any funds, including those in the loan reserve account, and the interest income earned shall be credited back to the loan reserve account.

Sec. 20. NEW SECTION. TRANSFER OF FUNDS AND ASSETS. All moneys which are to be refunded to the state under the contract with United Student Aid Funds, Incorporated, involving the Iowa guaranteed student loan program in effect prior to the effective date of this Act shall be refunded to the commission and shall be credited to the loan reserve account except those funds which must be repaid to the United States government.

All assets and liabilities of the student loan program established pursuant to sections two hundred sixty-one point five (261.5) through two hundred sixty-one point eight (261.8) of the Code and existing on the effective date of this Act shall be assets and liabilities of the Iowa guaranteed student

loan program established pursuant to this Act.

Sec. 21. NEW SECTION. REPAYMENT OF STATE APPROPRIATIONS. The commission shall repay to the treasurer of state all funds appropriated for the Iowa guaranteed student loan program for the fiscal years 1979, 1980 and 1981. The commission shall repay such funds in any fiscal year only when the funds available are in excess of the amount needed to pay the costs of administering the program and to insure an actuarially sound reserve account for that fiscal year and then only in the amount of the excess funds available.

Sec. 22. NEW SECTION. The loan program and the loan reserve account established by this division shall not be dissolved until all guaranteed loans have been repaid by the borrower or, if in default, by the commission. Upon dissolution of the loan program, all the property and moneys of the program and in the loan reserve account not owed to the federal government shall be transferred to the state general fund.

Sec. 23. NEW SECTION. SHORT TITLE. This division shall be known and may be cited as the Iowa guaranteed student loan program.

Sec. 24. Sections two hundred sixty-one point five (261.5) through two hundred sixty-one point eight (261.8), Code 1977, are repealed.

Sec. 25. There is appropriated from the general fund of the state to the college aid commission established by section two (2) of this Act the sum of two hundred eighty thousand two hundred nine (280,209) dollars to be used for the following purposes:

	<u>1978-1979</u> <u>Fiscal Year</u>
1. For salaries, support, maintenance and miscellaneous purposes incurred in administering the Iowa guaranteed student loan program	\$100,000
2. For matching federal funds	\$180,209

Funds appropriated by subsection two (2) of this section and matching federal funds shall be credited to the loan reserve account and shall not revert to the general fund as provided in section eight point thirty-three (8.33) of the Code.

Funds appropriated to the higher education facilities commission by any Act of the Sixty-seventh General Assembly, 1978 Session, shall be construed to be appropriated to the college aid commission.

Approved June 20, 1978

CHAPTER 1050

IOWA CRIME COMMISSION

S. F. 2208

AN ACT relating to the composition of the Iowa crime commission.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section eighty C point six (80C.6), Code 1977, is amended to read as follows:

80C.6 COMMISSION MEMBERSHIP. The commission shall consist of ~~nine~~ twelve members who are concerned with and knowledgeable about the problems of criminal justice and who are appointed for four-year terms by the governor ~~as follows:~~

~~1. -- Five members representative of law enforcement and criminal justice agencies maintaining programs to reduce and control crime, two of whom shall be officials of cities or counties, two of whom shall be officials of the state and one of whom shall be a representative of a juvenile justice agency.~~

~~2. -- Four citizen members who have demonstrated knowledge and concern in the prevention and control of crime and delinquency. -- At least one citizen member shall be appointed to represent the citizens of the state who are affected by unemployment, low income or substandard housing subject to confirmation by two-thirds of the members of the senate.~~

The governor shall appoint an executive director of the commission who shall be ~~his~~ the governor's official representative, and who shall be the principal executive administrator of the commission.

~~All commissioners designated by the governor shall serve at the governor's pleasure.~~ No member of the general assembly shall be appointed as a voting member of the commission.

Sec. 2. The initial members of the Iowa crime commission appointed on or after the effective date of this Act pursuant to section one (1) of this Act shall be appointed as follows: